

The background of the entire page is a photograph of the U.S. Capitol dome in Washington, D.C., under a clear blue sky. The dome's white marble structure, including its columns and ornate details, is visible on the left side of the image.

IFA 2012

PUBLIC AFFAIRS CONFERENCE

*September 10-11, 2012
Hyatt Regency Capitol Hill
Washington, DC*



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What Does the Health Care Law Mean to Your Business?

David Barr

Chairman, PMTD Restaurants LLC (franchisee)

Chairman, Don Pablo's (franchisor)

Board Member, Mrs. Fields and TCBY (franchisor)

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Impact of ACA: An example of one small business

PMTD Restaurants LLC – 23 KFC/Taco Bells/KT's

	Total	Currently Eligible Pre-ACA	Currently Enrolled Pre-ACA
# of active employees	412	36	30
# of full time	109	36	30
# of part-time	303	0	0

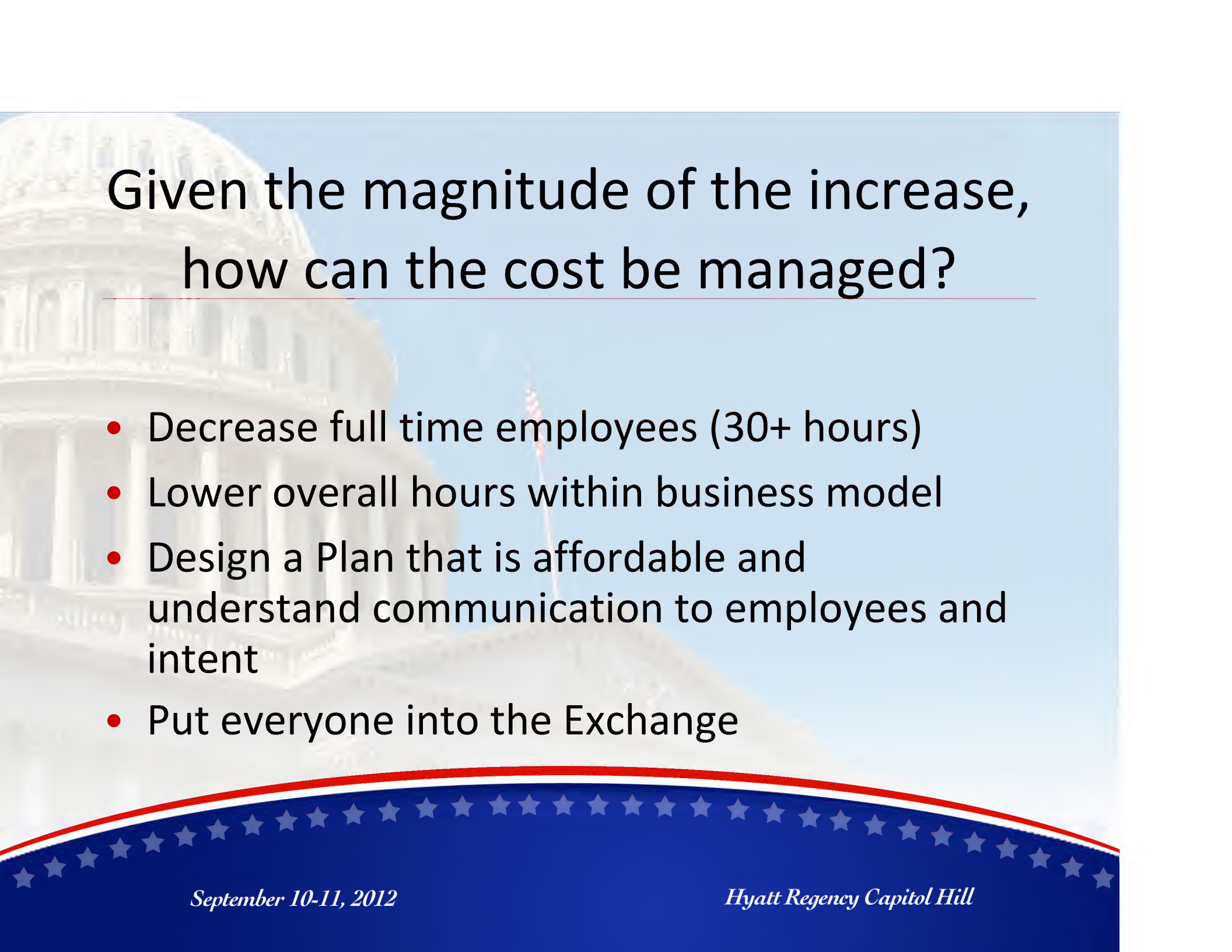
Under most plans in U.S., the cost of insurance per employee is high
(This is pre-ACA – current rates)

	Employee Only	Family Coverage
Annual premium	\$5,028	\$12,612
Paid by Employer		
- \$	\$4,073	\$4,349
- %	81%	34%
Total \$ paid by Employer	\$129,000	

ACA will increase insurance cost to Employer

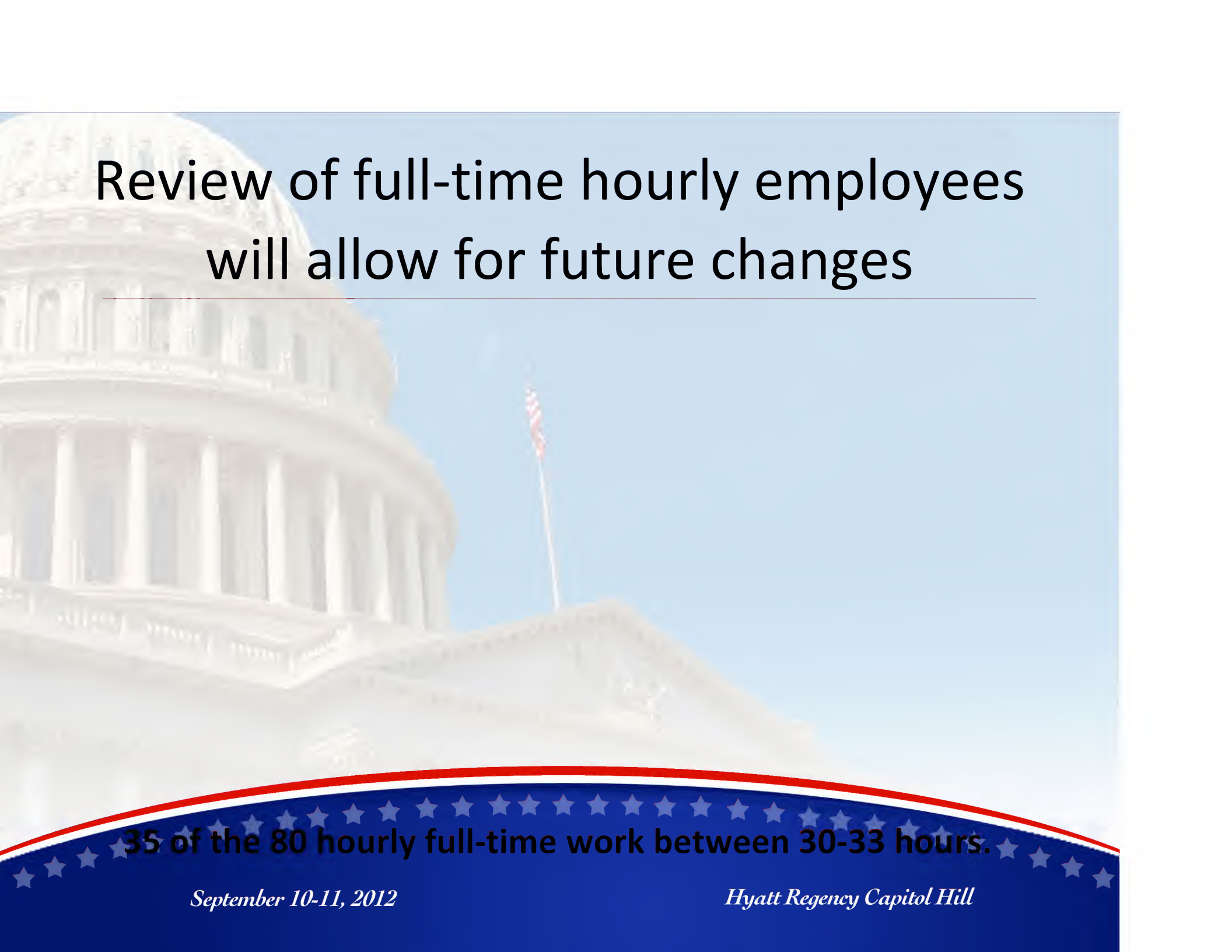
	Total \$ Paid by Employer
Currently pre-ACA	\$129,000
Estimate under ACA with no change to plan	\$444,000

This approx. \$300,000 increase represents 1.5% of sales



Given the magnitude of the increase, how can the cost be managed?

- Decrease full time employees (30+ hours)
- Lower overall hours within business model
- Design a Plan that is affordable and understand communication to employees and intent
- Put everyone into the Exchange

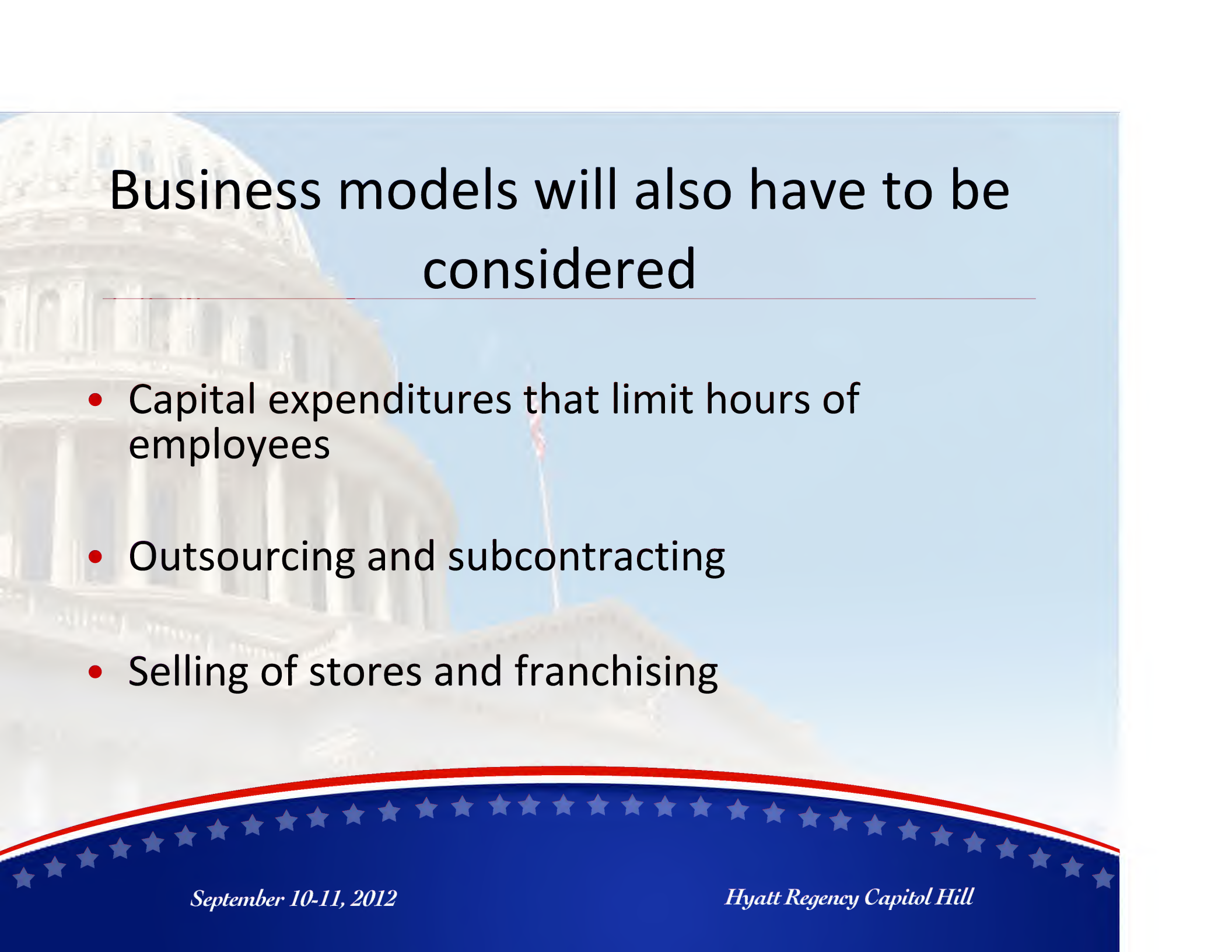


Review of full-time hourly employees will allow for future changes

35 of the 80 hourly full-time work between 30-33 hours.

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Business models will also have to be considered

- Capital expenditures that limit hours of employees
- Outsourcing and subcontracting
- Selling of stores and franchising

PMTD's Plan currently qualifies as affordable to Employees

	Employee Only	Family Coverage
Annual premium	\$5,028	\$12,612
Paid by Employer		
- \$	\$4,073	\$4,349
- %	81%	34%
Paid by Employee	\$955	\$8,263

By paying enough of the premiums, currently PMTD's plan is deemed affordable (less than 9.5% of employees pay) to its employees. So, all full time employees make at least \$10,000 per year.

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If cannot otherwise lower expense then Employers may resort to the Exchange

	Total \$ Paid by Employer
Currently pre-ACA	\$129,000
Estimate under ACA with no change to Plan	\$444,000
Everyone goes into the Exchange	\$158,000

*Exchange is calculated as 109 employees less exemption for
30 full time employees times \$2,000 per employee*